

QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2004

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

AS OF SEPTEMBER 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	SEPTEMBER 2004	SEPTEMBER 2003
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 56,772	\$ 41,155
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2004, \$10,640; 2003, \$10,269).....	15,667	15,092
4	Inventories.....	4,824	4,835
5	Prepaid Expenses and Other Current Assets.....	5,638	7,985
6	Total Current Assets.....	82,901	69,067
7	Investments, Advances, and Receivables - CRDA.....	13,291	10,337
8	Property and Equipment - Gross.....	1,148,381	1,139,880
9	Less: Accumulated Depreciation and Amortization.....	(314,753)	(280,068)
10	Property and Equipment - Net.....	833,628	859,812
11	Other Assets..... NOTE 4.....	14,784	11,536
12	Total Assets.....	\$ 944,604	\$ 950,752
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 16,601	\$ 19,138
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other..... NOTE 2.....	12,509	9,141
17	Income Taxes Payable and Accrued..... NOTE 8.....	5,618	3,462
18	Other Accrued Expenses.....	59,883	20,234
19	Other Current Liabilities.....	8,579	7,661
20	Total Current Liabilities.....	103,190	59,636
	Long-Term Debt:		
21	Due to Affiliates..... NOTE 2.....	836,553	836,409
22	Other..... NOTE 2.....	11,605	10,954
23	Deferred Credits.....	-	-
24	Other Liabilities.....	400	1,198
25	Commitments and Contingencies..... NOTE 6.....		
26	Total Liabilities.....	951,748	908,197
27	Stockholders', Partners', or Proprietor's Equity..... NOTE 5.....	(7,144)	42,555
28	Total Liabilities and Equity.....	\$ 944,604	\$ 950,752

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	REVENUE:		
1	Casino.....	\$ 377,692	\$ 395,223
2	Rooms.....	24,904	25,507
3	Food and Beverage.....	42,935	42,515
4	Other.....	15,819	12,943
5	Total Revenue.....	461,350	476,188
6	Less: Promotional Allowances.....	101,648	99,743
7	Net Revenue.....	359,702	376,445
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	214,147	217,160
9	Selling, General and Administrative.....	52,722	56,468
10	Provision for Doubtful Accounts.....	2,025	2,849
11	Total Costs and Expenses.....	268,894	276,477
12	Gross Operating Profit.....	90,808	99,968
13	Depreciation and Amortization.....	36,570	32,701
	Charges from Affiliates Other than Interest:	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 4.....	4,695	4,960
16	Income (Loss) from Operations.....	49,543	62,307
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 2.....	(72,673)	(72,499)
18	Interest Income (Expense) - External..... NOTE 2.....	(1,719)	(1,203)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(1,594)	(2,898)
20	Nonoperating Income (Expense) - Net.....	39	72
21	Total Other Income (Expenses).....	(75,947)	(76,528)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(26,404)	(14,221)
23	Provision (Credit) for Income Taxes..... NOTE 8.....	1,912	1,806
24	Income (Loss) Before Extraordinary Items.....	(28,316)	(16,027)
25	Extraordinary Items (Net of Income Taxes- 2004, \$ ____ ; 2003, \$ ____).....	-	-
26	Net Income (Loss).....	\$ (28,316)	\$ (16,027)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	REVENUE:		
1	Casino.....	\$ 135,007	\$ 137,858
2	Rooms.....	9,319	9,349
3	Food and Beverage.....	16,168	15,351
4	Other.....	6,749	5,390
5	Total Revenue.....	167,243	167,948
6	Less: Promotional Allowances.....	40,671	37,981
7	Net Revenue.....	126,572	129,967
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	76,291	74,712
9	Selling, General and Administrative.....	17,811	19,315
10	Provision for Doubtful Accounts.....	708	723
11	Total Costs and Expenses.....	94,810	94,750
12	Gross Operating Profit.....	31,762	35,217
13	Depreciation and Amortization.....	12,015	11,349
14	Charges from Affiliates Other than Interest.....	-	-
15	Management Fees.....	-	-
15	Other..... NOTE 4.....	1,416	1,290
16	Income (Loss) from Operations.....	18,331	22,578
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTE 2.....	(24,082)	(24,148)
18	Interest Income (Expense) - External..... NOTE 2.....	(571)	(458)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(568)	(577)
20	Nonoperating Income (Expense) - Net.....	32	(15)
21	Total Other Income (Expenses).....	(25,189)	(25,198)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(6,858)	(2,620)
23	Provision (Credit) for Income Taxes..... NOTE 8.....	679	689
24	Income (Loss) Before Extraordinary Items.....	(7,537)	(3,309)
25	Extraordinary Items (Net of Income Taxes- 2003, \$ ____; 2002, \$ ____).....	-	-
26	Net Income (Loss).....	\$ (7,537)	\$ (3,309)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003
AND THE NINE MONTHS ENDED SEPTEMBER 30, 2004

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)		Total Equity (Deficit) (f)
				(e)	
1	Balance, December 31, 2002.....	\$72,501	(\$7,764)		\$64,737
2	Net Income (Loss) - 2003.....		(28,002)		(28,002)
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions..... NOTE 5.....	(7,917)			(7,917)
6	Prior Period Adjustments.....				
7				
8				
9				
10	Balance, December 31, 2003.....	64,584	(35,766)		28,818
11	Net Income (Loss) - 2004.....		(28,316)		(28,316)
12	Capital Contributions.....				
13	Capital Withdrawals.....				
14	Partnership Distributions..... NOTE 5.....	(7,646)			(7,646)
15	Prior Period Adjustments.....				
16				
17				
18				
19	Balance, September 30, 2004.....	\$56,938	(\$64,082)		(\$7,144)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 43,541	\$ 18,733
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(5,599)	(13,874)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(4,552)	(4,007)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities.....	(10,151)	(17,881)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(9,517)	(6,353)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals	-	-
21	Partnership Distribution	(7,646)	(6,155)
22	Cash Disbursed for Capital Contribution	-	-
23	Net Cash Provided (Used) by Financing Activities.....	(17,163)	(12,508)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	16,227	(11,656)
25	Cash and Cash Equivalents at Beginning of Period.....	40,545	52,811
26	Cash and Cash Equivalents at End of Period.....	\$ 56,772	\$ 41,155
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 40,998	\$ 80,103
28	Income Taxes.....	\$ 263	\$ 288

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ (28,316)	\$ (16,027)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	36,570	32,701
31	Amortization of Other Assets (Bond Discount).....	107	119
32	Amortization of Debt Discount or Premium.....	1,585	1,779
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	1,594	2,159
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	463	517
39	Net (Increase) Decrease in Inventories.....	(14)	311
40	Net (Increase) Decrease in Other Current Assets.....	(1,498)	(1,501)
41	Net (Increase) Decrease in Other Assets.....	(5,131)	(7,073)
42	Net Increase (Decrease) in Accounts Payable.....	4,290	6,517
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	33,891	(769)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	-
45	-	-
46	-	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ 43,541	\$ 18,733

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (19,012)	\$ (24,483)
49	Less: Capital Lease Obligations Incurred.....	13,413	10,609
50	Cash Outflows for Property and Equipment.....	\$ (5,599)	\$ (13,874)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ -	\$ -
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions/Partnership Distribution.....	\$ -	\$ -
58	Plus: Issuances of Long-Term Debt to Affiliates, Net of Costs.....	-	-
59	Plus: Elimination of Amounts Due from Affiliates.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	90,220	\$ 7,390		
2	Food	522,027	8,097		
3	Beverage	1,723,520	2,772		
4	Travel			21,208	\$ 1,909
5	Bus Program Cash	171,558	2,175		
6	Other Cash Comps	572,039	18,988		
7	Entertainment	12,741	995	1,422	96
8	Retail & Gifts			75,196	1,396
9	Parking				
10	Other *	4,162	254	28,808	460
11	Total	3,096,267	\$ 40,671	126,634	\$ 3,861

* No complimentary service or item within Other exceeds 5% of the total.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	246,218	\$ 18,841		
2	Food	1,354,392	19,907		
3	Beverage	5,016,666	7,920		
4	Travel			55,039	\$ 5,314
5	Bus Program Cash	456,363	5,530		
6	Other Cash Comps	1,440,307	47,167		
7	Entertainment	27,573	1,612	13,558	593
8	Retail & Gifts			160,666	3,867
9	Parking				
10	Other *	10,209	671	77,128	1,408
11	Total	8,551,728	\$ 101,648	306,391	\$ 11,182

* No complimentary service or item within Other exceeds 5% of the total.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)

NOTE 1 - ORGANIZATION AND OPERATIONS

Trump Taj Mahal Associates, a New Jersey general partnership ("Taj Associates") is 100% beneficially owned by Trump Atlantic City Associates, a New Jersey general partnership ("Trump AC"). Trump AC is 100% beneficially owned by Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings") of which Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"), is the sole general partner. In addition, Trump AC beneficially wholly owns Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates") which owns and operates the Trump Plaza Hotel and Casino located in Atlantic City, New Jersey.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The Atlantic City market is very competitive, especially since the opening of the Borgata Casino Hotel and Spa by a joint venture of MGM Mirage and Boyd Gaming in Atlantic City's marina district in July 2003, and is anticipated to become more competitive in the future. Taj Associates derives its revenue from casino operations, room rental, food and beverage sales and entertainment revenue.

THCR and its subsidiaries are very highly leveraged, with extensive secured borrowings by its operating level subsidiaries, including the Trump AC Mortgage Notes (as defined in Note 2). Trump AC has incurred recurring operating losses, which totaled \$14.0 million, \$3.4 million, and \$53.9 million during the years ended December 31, 2001, 2002, and 2003, respectively and \$54.9 million for the nine months ended September 30, 2004. Trump AC had a working capital deficit of \$78.8 million at September 30, 2004. The recurring operating losses are primarily the result of substantial debt service obligations on outstanding indebtedness. In 2004, Trump AC's debt service obligation is expected to be approximately \$155 million. Additionally, Trump AC has experienced increased competition and other challenges in the Atlantic City market. Trump AC's liquidity situation continues to be constrained, due to Trump AC's diminished cash flows, increased trade payables, limited capacity to raise additional capital and minimal cash reserves beyond those required to fulfill gaming regulatory requirements. Due to these factors, Trump AC has not been able to expand its operations or reinvest in the maintenance of its owned properties at desired levels. Furthermore, Trump AC does not currently have any short-term borrowing capacity available.

To address these factors, management and the board of directors of THCR reviewed various financing and restructuring alternatives, including the previously announced potential recapitalization transaction that contemplated an equity investment in THCR by DLJ Merchant Banking Partners III, L.P. ("DLJMB") and Mr. Trump and a restructuring of the debt securities of THCR's subsidiaries (the "DLJMB Transaction"). On September 22, 2004, by mutual agreement, THCR and DLJMB announced that they had terminated discussions regarding the DLJMB Transaction. After the termination of this proposal, THCR continued to pursue other potential transactions, including debt restructuring and recapitalization alternatives with certain of its debt holders and/or the sale of certain assets.

As discussed in Note 9, on October 21, 2004, Trump AC announced that THCR, Trump AC, Trump Casino Holdings, LLC, an affiliate of Trump AC ("TCH"), Mr. Trump and holders of approximately 57% of the Trump AC Mortgage Notes (the "TAC Note Group") and approximately 68% and 81% of the Trump Casino Holdings' 11.625% First Priority Mortgage Notes due 2010 (the "TCH First Priority Notes") and 17.625% Second Priority Mortgage Notes due 2010 (the "TCH Second Priority Notes"), respectively (collectively, such holders, the "TCH Note Group" and the TCH First Priority Notes and TCH Second Priority Notes, the "TCH Notes"), have entered into a restructuring support agreement (the "Support Agreement") in connection with a proposed recapitalization of THCR and its subsidiaries pursuant to a pre-negotiated plan of reorganization (the "Plan"). The term sheet appended to the Support Agreement contemplates, among other things, a restructuring of THCR's approximately \$1.8 billion aggregate principal amount of public indebtedness, including a reduction in the principal amount thereof to approximately \$1.25 billion, and a reduction of the weighted average rate of interest thereon from approximately 12% per annum

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)

to 8.5% per annum, representing an estimated annual interest expense savings of approximately \$98 million (excluding any interest related to borrowings on the \$500 million Financing). The Plan also permits an exit financing of up to \$500 million, secured by a first priority lien on substantially all of THCR's assets (the "Financing"). This exit facility is expected to allow THCR to refurbish and expand its current properties and permit THCR to enter into new and emerging jurisdictions, among other uses.

THCR intends to implement the Plan through a voluntary chapter 11 proceeding. Under the Support Agreement, THCR is required to commence its case no later than November 29, 2004. An installment of interest of approximately \$73 million was due on the Trump AC Mortgage Notes on November 1, 2004. As contemplated in the term sheet attached as an exhibit to the Support Agreement and filed with THCR's Form 8-K on October 21, 2004, in satisfaction of the November 1, 2004 interest payment on the Trump AC Mortgage Notes, it is anticipated that the holders of the Trump AC Mortgage Notes will receive, as part of their overall recovery, an additional cash payment equal to simple interest on the principal amount of the new series of notes intended to be issued to the holders of the Trump AC Mortgage Notes upon the consummation of the Plan at an annual interest rate of 8.5% for the time period commencing May 1, 2004, the last date as of which interest was paid on the Trump AC Mortgage Notes, through the date on which the Plan is consummated. If THCR's case, however, is not commenced by November 29, 2004, the bondholder parties to the Support Agreement will have the right to terminate the Support Agreement. Furthermore, Trump AC will be required to make the November payment on the Trump AC Mortgage Notes. Trump AC would not, however, have sufficient funds on hand from operations to make the November 1, 2004 interest payment on the Trump AC Mortgage Notes within the 30 day grace period provided in the indentures governing such notes. It would be an "Event of Default" under the indentures governing the Trump AC Mortgage Notes if such interest was not paid by November 30, 2004.

Subject to the foregoing, the accompanying financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC"). Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in Taj Associates' December 31, 2003 Quarterly Report as filed with the CCC.

The casino industry in Atlantic City is seasonal in nature with the peak season being the spring and summer months; therefore, results of operations for the three and nine months ended September 30, 2004 and 2003 are not necessarily indicative of the operating results for a full year.

Reclassifications

Certain reclassifications and disclosures have been made to prior year financial statements in order to conform to the current year presentation.

**TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)**

AMENDED
12/10/04

NOTE 2 - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>September 30, 2004</u>	<u>September 30, 2003</u>
Note Payable - Trump AC and Trump AC Funding 11.25% First Mortgage Notes, due 2006 (a)	\$ 800,000,000	\$ 800,000,000
Note Payable - Trump AC, Trump AC Funding II and Trump AC Funding III 11.25% First Mortgage Notes, due 2006, net of unamortized discount of \$197,000 and \$341,000 respectively (b)	36,553,000	36,409,000
Capitalized lease obligations (c)	<u>24,114,000</u>	<u>20,095,000</u>
	860,667,000	856,504,000
Less: Current maturities	<u>(12,509,000)</u>	<u>(9,141,000)</u>
	<u>\$ 848,158,000</u>	<u>\$ 847,363,000</u>

(a) In April 1996, Trump AC and Trump Atlantic City Funding, Inc., a wholly owned subsidiary of Trump AC ("Trump AC Funding"), issued \$1,200,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC I Notes"). Interest on the TAC I Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest, jointly and severally, by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The TAC I Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates. The indenture pursuant to which the TAC I Notes were issued restricts the ability of Trump AC and its subsidiaries to make distributions or to pay dividends, as the case may be, unless certain financial ratios are achieved. In addition, the ability of Taj Associates and Plaza Associates to make payments of dividends or distributions (except for payment of interest) through Trump AC to THCR Holdings may be restricted by the CCC.

(b) In December 1997, Trump AC and Trump Atlantic City Funding II, Inc. ("Trump AC Funding II") issued \$75,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC II Notes"). In December 1997, Trump AC and Trump Atlantic City Funding III, Inc. ("Trump AC Funding III") issued \$25,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC III Notes" and together with the TAC I Notes and TAC II Notes, the "Trump AC Mortgage Notes").

From the proceeds of the issuance of the Trump AC Mortgage Notes, Trump AC loaned \$800,000,000 and \$36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the Trump AC Mortgage Notes.

(c) Interest on these leases are payable with interest rates ranging from 6.0% to 18.2%. The leases are due at various dates between 2004 and 2007 and are secured by the equipment financed.

The Trump AC Mortgage Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities, an interpretation of ARB 51." The primary objectives of this interpretation are to provide guidance on the identification of entities for which control is achieved through means other than through voting rights ("variable interest entities") and how to determine when and which business enterprise (the "primary beneficiary") should consolidate the variable interest entity. This new model for consolidation applies to an entity in which either (i) the equity investors (if any) do not have a controlling financial interest; or (ii) the equity investment at risk is insufficient to finance that entity's activities without receiving additional subordinated financial support from other parties. In addition, FIN 46 requires that the primary beneficiary, as well as all other enterprises with a significant variable interest in a variable interest entity, make additional disclosures. Adoption of this pronouncement had no material impact on Taj Associates consolidated financial position, consolidated results of operations, or liquidity.

NOTE 4 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Donald J. Trump ("Mr. Trump") and entities that are wholly or partially owned by Mr. Trump. Amounts receivable/(payable) at September 30 are as follows:

	September 30, 2004	September 30, 2003
Trump Marina Associates ("Marina Associates") \$	(28,000)	\$ (13,000)
Plaza Associates	(67,000)	135,000
Trump Indiana, Inc.	(129,000)	(59,000)
Trump Administration	(2,446,000)	(91,000)
Trump AC	9,497,000	2,000,000
Trump Casino Holdings	12,000	—
	<u>\$ 6,839,000</u>	<u>\$ 1,972,000</u>

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities owned by Mr. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance and payroll costs as well as complimentary services offered to customers.

Trump Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to Taj Associates, Plaza Associates and Marina Associates. Management believes that Trump Administration's services will continue to result in substantial cost savings and operational synergies.

NOTE 5 - PARTNERSHIP DISTRIBUTION

Pursuant to the indentures governing the Trump AC Mortgage Notes, Trump AC is permitted to reimburse THCR for its operating and interest expenses. These reimbursements are subject to limitations set forth in such indentures, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life-time limitation of \$50,000,000 in interest expense reimbursements.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)

As such, Trump AC's subsidiaries, Taj Associates and Plaza Associates are permitted to reimburse Trump AC for its interest expenses and operating expense reimbursements to THCR. During the nine months ended September 30, 2004 and 2003, Taj Associates declared cash partnership distributions to Trump AC of \$7,646,000 and \$6,155,000, respectively, consisting of operating expense reimbursements.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Taj Associates, certain members of its former executive committee and certain of its employees have been involved in various legal proceedings. In general, Taj Associates has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Various legal proceedings are now pending against Taj Associates. Taj Associates considers all such proceedings to be ordinary litigation incident to the character of its business. Taj Associates believes that the resolution of these claims will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

Taj Associates is also a party to various administrative proceedings involving allegations that it has violated certain provisions of the Casino Control Act. Taj Associates believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on its financial condition, results of operations or on the ability of Taj Associates to otherwise retain or renew any casino or other licenses required under the Casino Control Act for the operation of the property.

NOTE 7 - NJSEA SUBSIDY AGREEMENT

On April 12, 2004, the twelve Atlantic City casino properties, including Taj Associates, executed an agreement with the New Jersey Sports & Exposition Authority ("NJSEA") and the Casino Reinvestment Development Authority ("CRDA") to, among other things, enhance purses, fund breeders' awards and establish account wagering at New Jersey horse racing tracks ("NJSEA Subsidy Agreement" or "Agreement").

The Agreement provides that the casinos, pro rata according to their gross revenues, shall: (a) pay \$34 million to NJSEA in cash in four yearly payments through October 15, 2007 and donate \$52 million to NJSEA from the regular payment of their CRDA obligations for use by NJSEA through 2008 to enhance such purses, fund such breeders' awards and establish such account wagering; and (b) donate \$10 million from the regular payment of their CRDA obligations for use by CRDA as grants to such other North Jersey projects as CRDA shall determine. These cash payments and donations of CRDA obligations are conditioned upon the timely enactment and funding of the Casino Expansion Fund Act. Taj Associates has estimated its portion of the industry obligation at approximately 10.7%.

The Agreement also anticipated that legislation to establish and fund a \$62 million Casino Expansion Fund would be effective by December 1, 2004 and that the fund will be administered by CRDA and made available pro rata to each casino for use in expanding its casino hotel facility in the amounts and at the times it makes its donation payments to CRDA ("Casino Expansion Fund Act"). The Agreement further provides for a moratorium until January 2009, which casinos may enforce by court injunction, on the conduct of

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)

“casino gaming” at any New Jersey racetrack (unless casinos controlling a majority of the hotel rooms controlled by the casinos in Atlantic City otherwise agree) and a moratorium until January 2006 on the authorization of “casino gaming” at any New Jersey racetrack, the violation of which would terminate the Agreement and all further payments to NJSEA and require NJSEA to return all undistributed cash and CRDA to return all undistributed donated CRDA obligations to the casinos. The Agreement also grants a license through August 2008 for the display, at no cost to the casino industry, of messages promoting Atlantic City generally in prominent locations at NJSEA’s Meadowlands and Monmouth racetracks.

The Agreement finally provides that, if the Casino Expansion Fund is not established and funded by the New Jersey Legislature by December 1, 2004: (a) the casinos shall provide \$7 million in cash to NJSEA by December 10, 2004 and donate \$13 million from the regular payment of their CRDA obligations to NJSEA for use by NJSEA to enhance such purses, fund such breeders’ awards and establish such account wagering; (b) the moratorium on the conduct of “casino gaming” at New Jersey racetracks shall expire as of January 2006; and (c) the Agreement shall otherwise terminate.

The New Jersey Legislature enacted a law effective June 30, 2004 which: (a) establishes the Atlantic City Expansion Fund, identifies the Casino Hotel Room Occupancy Fee as its funding source and directs CRDA to provide the Atlantic City Expansion Fund with \$62 million and to make same available to each casino licensee for investment in eligible projects which increase the number of hotel rooms in its casino hotel facility; and (b) in increments, fully phases out the July 2003 4.25% tax on casino complimentaries as of July 1, 2009.

NOTE 8 - INCOME TAXES

Income taxes represent state taxes as computed under the alternative minimum method in calculating state income taxes and the New Jersey Profits Tax in the amount of \$1,649,000 and \$262,500 for the nine months ended September 30, 2004 and \$1,718,000 and \$87,500 for the nine months ended September 30, 2003.

NOTE 9 - SUBSEQUENT EVENTS

Recapitalization Plan

As previously disclosed, in the first quarter of 2004, THCR and certain of its subsidiaries entered into various agreements with DLJMB in connection with a proposed recapitalization of THCR (the “DLJMB Transaction”). On September 22, 2004, by mutual agreement, THCR and DLJMB announced that they had terminated discussions regarding the DLJMB Transaction. After the termination of this proposal, THCR continued to pursue other potential transactions, including debt restructuring and recapitalization alternatives with certain of its debt holders and/or the sale of certain assets.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)

On October 21, 2004, THCR issued a press release and filed a Current Report on Form 8-K with the SEC announcing that THCR, Trump AC, TCH, Mr. Trump, the TAC Note Group and the TCH Note Group have entered into the Support Agreement in connection with the Plan. The Support Agreement provides for, among other things, a restructuring of THCR's approximately \$1.8 billion aggregate principal amount of public indebtedness, including a reduction in the principal amount thereof to approximately \$1.25 billion, and a reduction of the weighted average rate of interest thereon from approximately 12% per annum to 8.5% per annum, representing an estimated annual interest expense savings of approximately \$98 million (excluding any interest related to borrowings on the \$500 million Financing). The Support Agreement and attached term sheet, which include certain terms of the Plan, were filed as exhibits to Trump AC's Form 8-K.

As part of the Plan, Mr. Trump would invest approximately \$71.4 million in the recapitalized company, \$55 million of which would be in the form of cash and the remainder of which would be in the form of a contribution of approximately \$16.4 million principal amount of TCH Second Priority Notes owned by him (at 90% of the face amount thereof). Upon the consummation of the Plan, Mr. Trump will beneficially own 26.2% of THCR's common stock (and/or common stock equivalents) on a fully-diluted basis, consisting of (i) 9.12% in return for Mr. Trump's \$55.0 million cash investment; (ii) 2.44% in return for Mr. Trump's contribution of approximately \$16.4 million principal amount of TCH Second Priority Notes; (iii) 0.08% in return for all accrued interest on Mr. Trump's TCH Second Priority Notes; (iv) 11.02% in return for Mr. Trump granting a perpetual, royalty-free trademark license to THCR and for terminating his current trademark license agreement and executive services agreement with THCR; (v) 0.06% representing his existing equity interests after dilution upon the issuance of THCR's new common stock; and (vi) 3.5% issuable upon the exercise of warrants to be issued to Mr. Trump upon the consummation of the Plan, having an exercise price equal to 1.5 times the investment price and a ten year term. Mr. Trump would also receive a parcel of land owned by THCR in Atlantic City, NJ constituting the former World's Fair site which may be developed for non-gaming related use and THCR's 25% interest in the Miss Universe pageant. In addition, THCR would enter into a renewable three-year development agreement with Mr. Trump pursuant to which The Trump Organization would have the right of first offer to serve as THCR's general contractor, on commercially reasonable arm's length terms, with respect to construction and development projects for casinos and casino hotels and related lodging at THCR's existing and future properties. Mr. Trump will enter into a new services agreement having a three-year rolling term and pursuant to which Mr. Trump will be paid \$2.0 million per year, plus a discretionary annual bonus and reasonable and accountable expenses incurred in connection with the Services Agreement.

Under the Plan, the holders of the Trump AC Mortgage Notes and the unaffiliated holders of the TCH Notes would exchange their notes (approximately \$1.8 billion aggregate principal amount) for an aggregate of approximately \$24 million in cash, an aggregate of \$1.25 billion principal amount of a new series of 8.5% senior second priority mortgage notes with a ten-year maturity, secured by a lien on substantially all of THCR's assets (the "New Notes") and approximately \$395 million of common stock of THCR valued at the same per share purchase price as Mr. Trump's investment (assuming the unaffiliated stockholders of THCR fully exercise the stockholder warrants discussed below). In addition, the company's unaffiliated stockholders would receive one year warrants to purchase up to 8.33% of the fully diluted common stock of the recapitalized company at a per share purchase price based on an assumed pro forma total equity value of the recapitalized company of approximately \$582.3 million. The proceeds of such warrant exercise, and any shares reserved for issuance of such warrants that have not been exercised, would be distributed to holders of the Trump AC Mortgage Notes after the expiration of the exercise period for such warrants. The Plan also permits up to \$100 million of debtor-in-possession financing during the pendency of the chapter 11 proceedings, secured by a first priority lien on substantially all the company's assets, which would rank senior in right of payment to the liens securing the Trump AC Mortgage Notes and TCH Notes. In addition, the Plan also permits the \$500 million Financing secured by a first priority lien on substantially all of THCR's assets, which is expected to allow THCR to refurbish and expand its current properties and permit THCR to enter into new and emerging jurisdictions, among other uses.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)

THCR intends to commence its case by November 30, 2004 and expects, but cannot ensure that, the definitive plan contemplated by the Plan will be consummated in the second quarter of 2005. Taj Associates intends to maintain its current level of operations during the proceedings, expects that its patrons and vendors would experience no change in the way Taj Associates does business with them, and anticipates that the proposed plan of reorganization would not impair critical trade creditor claims.

Although the TAC Note Group and the TCH Note Group have agreed in principal to support the Plan, such support does not constitute their official approval of a definitive plan of reorganization that is anticipated to be proposed by THCR. Such approval can be obtained only after a court approved plan disclosure document is distributed to persons entitled to vote on the Plan.

The consummation of the Plan is subject to a number of conditions that are discussed below in Item 2, the satisfaction of which cannot be assured. There can be no assurances that the Plan will be officially proposed as described herein or approved or consummated.

Management Changes

Trump AC issued a press release on October 28, 2004, and filed a Form 8-K with the SEC on November 1, 2004, announcing, among other things, that Scott C. Butera was appointed as the President and Chief Operating Officer of THCR, which appointment will be effective upon receiving the required regulatory approval.

Morgan Stanley

On October 26, 2004, THCR announced that it has retained Morgan Stanley & Co. Incorporated as the joint book-runner and co-lead arranger of a proposed \$500 million financing that is expected to be consummated as part of the Plan (the "Financing"). Proceeds from the Financing, which will be secured on a first priority lien on substantially all of THCR's assets, including the Trump AC Properties, are expected to fund immediate capital improvements, as well as certain expansion projects, at THCR's current properties, including the Trump AC Properties. The Financing would also provide financial resources for THCR to potentially invest in additional jurisdictions. UBS Investment Bank, THCR's exclusive financial advisor in connection with the Plan, is expected to joint lead the Financing.

Beal Bank

On November 1, 2004, THCR issued a press release announcing that it has selected Beal Bank as the sole lead arranger of a \$100 million interim financing ("Interim Financing") which is expected to be funded as part of the Plan. Proceeds from the Interim Financing, which will be secured by a lien on substantially all of THCR's assets, including the Trump AC Properties, are expected to be used to fund certain business costs, including capital expenditures, wages, trade and vendor contracts and leases.

Labor Negotiations

On November 9, 2004, United Here H.E.R.E. Local 54, AFL-CIO ("Local 54," formerly the Hotel Employees & Restaurant Employees International Union) voted to approve of new five-year collective bargaining agreements with each of THCR's Atlantic City properties, including the Taj Mahal. The prior collective bargaining agreements had expired on September 14, 2004. The new collective bargaining agreements will expire on September 14, 2009.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF NEW JERSEY:
COUNTY OF ATLANTIC :SS,
:

James L. Wright, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 15th
day of November, 2004



Signature

Vincent N. Friday
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 26, 2008
Basis of Authority
to Take Oaths

VINCENT N. FRIDAY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 26, 2008.



Signature

Vice President of Finance

Title

003507-11

License Number

On Behalf Of:

Trump Taj Mahal Casino Resort

Casino Licensee